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U.S.-CHINA JOINT COMMISSION ON COMMERCE AND TRADE (JCCT)

Issue

The U.S.-China Joint Commission on Commerce and Trade (JCCT) has performed many useful functions since it was established in 1983. Reflecting the increased complexity in U.S.-China commercial relations, Secretary Brown and Minister Wu Yi strengthened the Commission's institutional infrastructure during the April 13-14 JCCT meeting. The revitalized Commission consists of three working groups covering trade and investment issues, business development and industrial cooperation, and commercial law.

History of the Organization

Soon after the establishment of diplomatic relations in 1979, the United States and China set up the Joint Economic Committee (JEC), co-chaired by the U.S. Secretary of the Treasury and Chinese Minister of Finance, to meet annually for the purpose of discussing bilateral economic and commercial issues. During the first three years, the JEC meetings included a session on trade co-chaired by the Deputy Assistant Secretary of Commerce for East-West Trade and Director of the Third Bureau of China's Ministry of Trade.

In 1983, the JCCT was established to provide a forum for high level consideration of bilateral trade issues and serve as a vehicle for promoting commercial relations. Co-chaired by the U.S. Secretary of Commerce and China's Minister of Foreign Economic Relations and Trade (MOFERT), annual meetings of the JCCT took place alternatively in Washington and Beijing.

Following the Tiananmen incident in June 1989, the Bush Administration suspended the annual high level JCCT meetings. Between 1989 and 1991, JCCT activities were carried out by two working groups including participants from the U.S. Embassy and from MOFERT and other Chinese agencies. Cabinet level meetings resumed in December 1992 when China's former MOFERT Minister Li Lanqing (now a vice premier) and former Commerce Secretary Franklin co-chaired the seventh JCCT session of the JCCT in Beijing. The reconvening of the JCCT was intended to symbolize a step towards normalization of the commercial relationship and to provide a positive signal to the American business community, encouraging them to increase their efforts in the China market.

Secretary Brown and China's Minister of Foreign Trade and Economic Cooperation (MOFTEC) co-chaired the eighth JCCT session in Washington, DC this past April. To improve the Commission's overall operating efficiency, the two officials signed a joint statement officially establishing three Working Groups: Trade and Investment, Business Development and Industrial Cooperation, and Commercial Law. Each of these groups has an ambitious agenda designed to lay a more solid foundation for our bilateral commercial relationship. To ensure success of Working Group objectives, interagency participation is encouraged on both sides.

New Institutional Infrastructure

Trade and Investment Working Group. This Working Group consists of two subgroups, one covering trade issues (market access, trade data, finance, and export controls) and the other issues related to investment and business facilitation (services, investment and business facilitation, and standards, testing and certification). The trade data subgroup met in Beijing August 1 - 5 to discuss efforts to identify and quantify the sources of discrepancy between U.S. and Chinese statistics. The two sides will exchange research proposals in late September, and meet again in December to try to agree to a unified reconciliation procedure. Discussions on export controls have accelerated since the April JCCT meeting, and may result in an agreement which permits the United States to conduct more pre-license checks with less delay and, for the first time, to conduct post-shipment checks. Such information would significantly facilitate the licensing of more dual-use exports to China. Ex-Im Bank officials will continue finance discussions during the Presidential Business Development Mission. Since the April JCCT session, Ex-Im has launched its limited recourse project finance facility and restated its commitment to aggressively employ its Tied Aid Capital Projects Fund to counter trade-distorting foreign tied aid credits.

Business Development and Industrial Cooperation Working Group. This Working Group is focused on industrial sectors that are of critical economic interest to both the United States and China, including but not limited to electric power, electronics, telecommunications, chemicals, services, automotive machinery, and aviation and airport infrastructure. Similar cooperation is envisioned in environmental and healthcare technologies. The formal terms of reference for the power, chemicals, automotive and aviation subgroups are expected to be signed during Secretary Brown's Beijing stop. Most subgroups already have adopted an 18-month program of conferences, seminar and trade missions, and policy discussions (attached). Participation by the U.S. private sector and Chinese enterprises is encouraged.

Commercial Law and Economic Reform Working Group. The Commercial Law Working Group consists of four subgroups covering the U.S.-China legal seminar program, intellectual property rights, antidumping/countervailing duties, and the commercial law program. While in Beijing, Commerce General Counsel Lew will sign a protocol for cooperation in commercial law. Possible avenues include the exchange of information on commercial law developments, practice and methods, exchange of legal experts, and dissemination of laws of each country and establishing repositories for laws.

BUSINESS DEVELOPMENT AND INDUSTRIAL COOPERATION
WORKING GROUP

Work Program Events

<u>Date</u>	<u>Event</u>	<u>Subgroup</u>
May 8, 1994	Technical Seminar supporting Beijing Reverse Trade Mission to the Supermarket Convention in Chicago, held in Washington, D.C.	Services
May 23-31, 1994	Insurance trade mission to Beijing, Hong Kong, and Shanghai	Services
July 1994	Technical Seminar and Mission, cosponsored by USDOC and Department of Energy	Services
August 1-2, 1994	International Franchise Association Conference in Shanghai	Services
August 14-19, 1994	Water Treatment Chemical Seminar Mission to Shanghai and Beijing	Chemicals
September 11-21, 1994	Plastics Additives Chemical Seminar Mission to Shanghai and Beijing	Chemicals
September 12-16, 1994	Conference on Chemical Opportunities in Beijing, co-sponsored with <u>Chemical Week</u>	Chemicals
September 16-21, 1994	American Pavilion at the International Chemical Industry Fair in Beijing	Chemicals
September 1994	Retailing and Wholesaling Trade Mission to Beijing, Hong Kong, and Shanghai	Services
October 1994	Information Services Trade Mission, Global Information Services Association meeting in Shanghai	Information Technologies and Services
October 1994	U.S. Aviation and Airport Infrastructure Executive Trade Mission to China, sponsored by U.S. private sector organization	Aviation and Airport Infrastructure
October 17-23, 1994	Air Quality/Advanced Coal technologies mission	Energy Technologies
Late October 1994	Conference on Services Markets in China, Washington, D.C.	Services

November 2-5, 1994	USG Foreign Buyer Initiative at the Automotive Aftermarket Week '94	Motor Vehicles and Allied Parts
November 7-11, 1994	Plastics Industry Mission to Guangzhou, Shanghai, and Beijing	Chemicals
November 11-15, 1994	American Pavilion at China Plas '94 in Beijing	Chemicals
November 14-22, 1994	Nuclear Safety and Waste Management Mission to Beijing, Shanghai, and Guangzhou	Energy Technologies
December 5-16, 1994	Chinese Power Generation reverse mission to the United States, will include visit to Power Gen '94 in Dallas and one day export seminar	Energy Technologies
February 13-17, 1995	Food Processing Chemical Seminar Mission to Shanghai and Beijing	Chemicals
February 20-28, 1995	Transmission and Distribution Equipment mission	Energy Technologies
February 1995	Technical Seminar and Mission on Wholesaling and Retailing	Services
March 1995	"Special Aviation Program for China" in Los Angeles, California, jointly sponsored by the USDOC and FAA	Aviation and Airport Infrastructure
April 20-28, 1995	Electric Power Environmental Services Mission to Beijing and Guangzhou	Energy Technologies and Services
April 1995 (or December 1994)	Software Trade Mission to Beijing, Shanghai, Guangzhou/Shenzhen	Information Technologies
May 1995	Reverse Trade Mission to Supercomm	Information Technologies
June 12-16, 1995	Coal Preparation, Liquefaction and Gasification Mission to Beijing, Shanxi, and Shanghai	Energy Technologies
June 1995 (tentative)	Shanghai '95 Auto Show and Executive Trade Mission	Motor Vehicles and Allied Parts
July 1995	Reverse Trade Mission to SEMICON West	Information Technologies